

PSJ17 Exh 23

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**TEVA PHARMACEUTICAL INDUSTRIES LIMITED**  
**Notes To Consolidated Financial Statements**

**y. Collaborative arrangements:**

Collaborative agreements are contractual arrangements in which the parties are active participants to the arrangement and are exposed to the significant risks and rewards that are dependent on the ultimate commercial success of the endeavor. See note 2(12).

The Company recognizes revenue generated and costs incurred on sales to third parties as it relates to a collaborative agreement as gross or net, based on accounting guidance relating to “Reporting Revenue Gross as a Principal versus Net as an Agent.” If the Company is the principal participant in a transaction, revenues are recorded on a gross basis; otherwise, revenues are recorded on a net basis.

**z. Segment reporting:**

Teva evaluates its organizational structure under a notion of “One Teva” with functional based units of a front-end (products offerings) and back-end (supply, operations and research and development) unified organization. Accordingly, Teva concluded that it has one operating segment. Entity-wide disclosures on net revenues and property, plant and equipment are presented in note 18.

**aa. Reclassifications:**

Certain comparative figures have been reclassified to conform to the current year presentation.

**ab. Recently issued accounting pronouncements:**

In July 2012, the Financial Accounting Standards Board (“FASB”) issued Accounting Standard Update 2012-02, *“Intangibles—Goodwill and Other (Topic 350): Testing Indefinite Intangibles Assets for Impairment,”* which amended the guidance in ASC 350-30 on testing indefinite-lived intangible assets, other than goodwill, for impairment allowing an entity to perform a qualitative impairment assessment. If the entity determines that it is not more likely than not that the fair value of the reporting unit is less than the carrying amount, further testing of indefinite-lived intangible assets for impairment is not required and the entity would not need to calculate the fair value of the asset and perform a quantitative impairment test. In addition, the standard did not amend the requirement to test these assets for impairment between annual tests if there is a change in events or circumstances; however, it revised the examples of events and circumstances that an entity should consider in interim periods, which are identical to those assessed in the annual qualitative assessment described above. ASU 2012-02 was effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012, with early adoption being permitted. Teva believes that the adoption of this standard will not have a material impact on its consolidated statements.

In December 2011, the FASB issued Accounting Standard Update No. 2011-11, *“Balance Sheet (210): Disclosures about Offsetting Assets and Liabilities,”* which requires additional disclosures about the nature of an entity’s rights of setoff and related arrangements associated with its financial instruments and derivative instruments. The disclosure requirements are effective for annual reporting periods beginning on or after January 1, 2013, and interim periods therein, with retrospective application required. In January 2013, the FASB issued Accounting Standard Update No. 2013-01, *“Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities.”* Teva believes that the adoption of both the standard and the update will not have a material impact on Teva’s consolidated financial statements.



# Segment Reporting Memorandum Q1 2018



The image consists of a sequence of horizontal gray bars of different widths. The first bar is the shortest, located at the top left. Subsequent bars increase in width as they move to the right. There are approximately 12 bars in total, with the last few being very long and filling most of the horizontal space.



3. In November 2017 Teva announced the new organizational structure which will be effective immediately, but will affect Teva financial reporting starting Q1, 2018. See appendix d for the accounting memo regarding the timing of the change.

The business will continue to be managed and orchestrated by Teva's CEO, who regularly reviews its results, is directly involved in assessing performance and making decisions on overall resource allocation, and ultimately responsible for the allocation of resources.







The image features a subtle, repeating pattern of horizontal grey bars. These bars vary in length, some being very short and others extending almost across the width of the frame. The overall effect is reminiscent of a barcode or a series of data points plotted as horizontal segments. The bars are a uniform grey color and are set against a white background, which makes them appear like a watermark or a background texture.



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



The figure consists of five horizontal bar charts, each representing a different race/ethnicity group. The groups are ordered from highest poverty to lowest poverty as follows: Black, American Indian, Asian/Pacific Islander, White, and Hispanic. Each chart displays the percentage of children in poverty across five income quintiles. The x-axis for each chart ranges from 0% to 100%, with major tick marks at 0, 20, 40, 60, 80, and 100. The y-axis represents the income quintile, with labels for Q1, Q2, Q3, Q4, and Q5.

Race/Ethnicity Group	Q1 (%)	Q2 (%)	Q3 (%)	Q4 (%)	Q5 (%)
Black	85	75	65	55	45
American Indian	80	70	60	50	40
Asian/Pacific Islander	60	55	50	45	40
White	45	40	35	30	25
Hispanic	75	65	55	45	35



This image shows a large, solid gray rectangular area that occupies the majority of the frame. A single, thin white vertical strip runs along the right edge of this gray area. The rest of the image is entirely filled with this gray color, creating a minimalist and monochromatic look.





TEVA MDL JD 000849



A horizontal bar chart showing data across 15 categories. The y-axis is categorical, and the x-axis represents a quantitative scale from 0 to 100. The bars are grey with black outlines.

Category	Approximate Value (%)
1	85
2	95
3	98
4	98
5	65
6	70
7	75
8	70
9	60
10	55
11	35
12	30
13	25
14	20
15	15



This figure consists of a series of horizontal bars, likely representing data points or measurements across different categories. The bars are rendered in a light grey color with black outlines, and they are set against a plain white background. The lengths of the bars differ greatly, suggesting a wide range of values. Some bars feature small white rectangular segments at their right ends, which could indicate specific data points or markers within the main bar's length.



TEVA MDL JD 000852





This image shows a large, solid gray rectangular area that occupies the majority of the page. The gray color is a uniform medium shade. There are no other markings, text, or figures present in the image.



The image consists of a vertical stack of eleven horizontal gray bars. The bars are arranged from top to bottom, with each subsequent bar being significantly longer than the one above it. The first bar is the shortest, followed by a slightly longer bar, then a much longer bar, and so on, creating a clear visual progression. The bars are set against a plain white background.



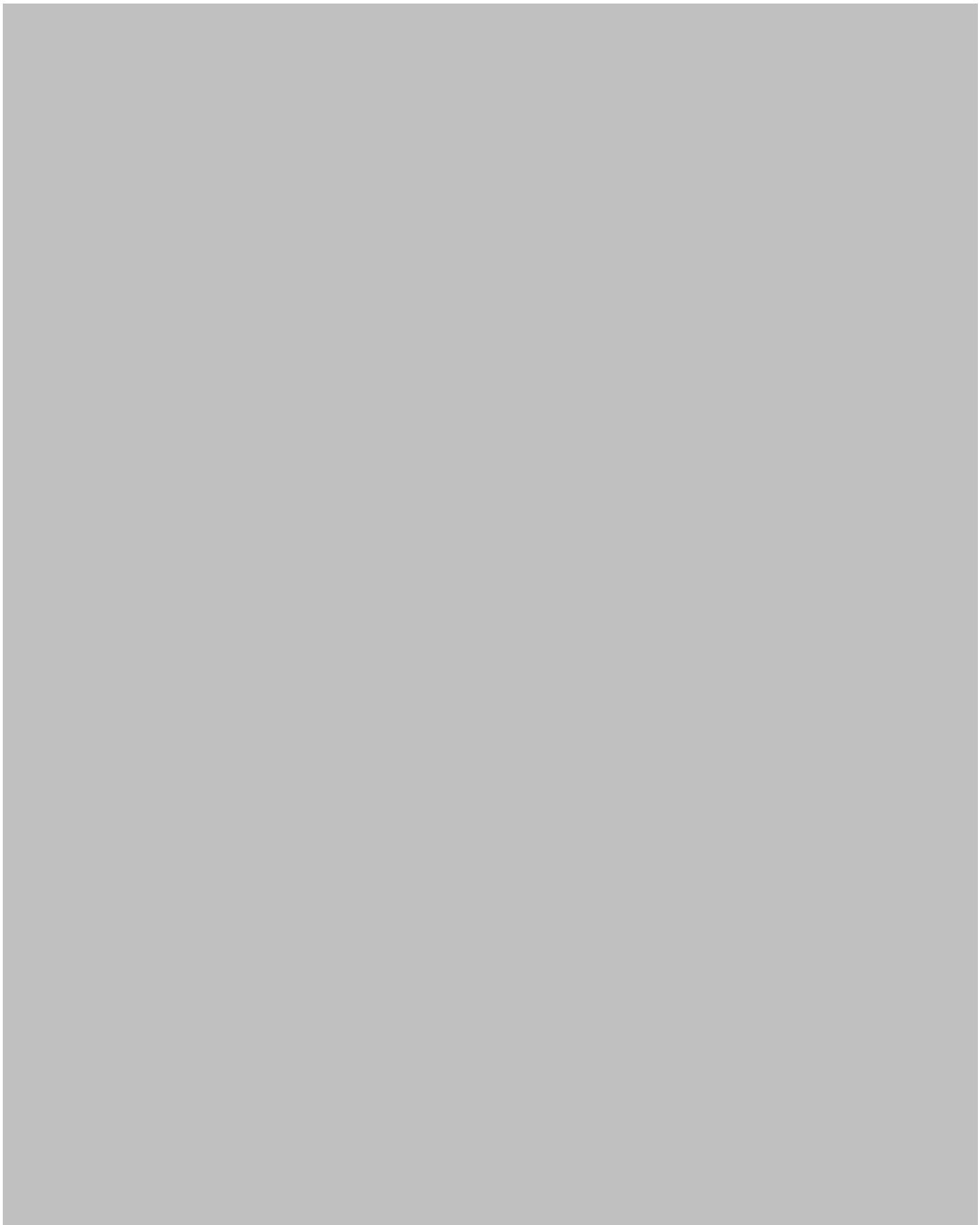
Term	Percentage (%)
Climate change	98
Global warming	95
Green energy	88
Sustainable development	85
Environmental protection	82
Ecology	78



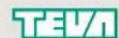
This figure consists of 15 horizontal bars arranged vertically. Each bar is composed of two segments: a shorter dark gray segment on the left and a longer light gray segment on the right. The total length of each bar varies, indicating the magnitude of the data point. The bars are separated by small gaps.











## Corporate Legal Department

*Effective as of: July 15, 2014<sup>1</sup>*

From: **Richard S. Egosi**  
**Group Executive Vice President, Chief Legal Officer and Company Secretary**

To: **All Teva Business Units**

Re: **Contract Review Policy ("Contract Policy")**

### I. Purpose/Scope:

Entering into any contractual arrangement on behalf of Teva Pharmaceutical Industries Ltd. or one of its affiliated companies or business units worldwide (collectively, "Teva" and individually, a "**Teva Contracting Party**") with a third party creates legally binding obligations for Teva. To help ensure appropriate management and legal oversight and effective decision making, it is the duty of every Teva employee and representative to ensure that the proper corporate supervisor, in conjunction with the relevant Teva Legal function and the Global Compliance Group, has considered and approved each contract before it is entered into. This Contract Policy sets forth the specific requirements of the Legal Department for proper contract administration and execution. For Compliance review and approval requirements, please refer to the relevant Global Compliance policies or the appropriate Compliance Officer.

For the purpose of this Contract Policy, a "contract" means any type of legally binding commitment, whether mutual or unilateral, financial or non-financial. For this purpose, any modification to an approved contract must be treated as a new contract that is subject to the procedures set forth herein.

### II. Procedure:

#### A. **Signature Requirements**

Every contract with a Teva Contracting Party must bear the signatures of at least two persons, who are authorized to sign the contract on behalf of the relevant Teva Contracting Party. The Legal function of the relevant Teva Contracting Party is responsible for maintaining the list of its authorized signatories ("**Authorized Signatory List**"). The persons signing the contract must be authorized to do so in accordance with any policies and

<sup>1</sup>

This Contract Review Policy replaces and supersedes the Legal Department's "Contract Administration Policy" dated November 2011.

# Prevention of Corruption SOP - Supporting Functions

## **Purpose:**

This SOP is intended to ensure that Teva's employees conduct their activities ethically and in compliance with all Applicable Laws and Codes.

This SOP establishes standards concerning the prevention of corruption, and is a supplement to our Code of Conduct, our Compliance Principles and Teva's Prevention of Corruption Policy.

Capitalized terms not otherwise defined in this SOP are defined in the Appendix of Teva's Prevention of Corruption Policy.

## **Scope:**

This SOP covers all activities and interactions with external individuals or organizations as defined in Teva's Prevention of Corruption Policy. These include, without limitation, Healthcare Professionals, Government Officials, Customers, patients or other members of the Healthcare Community, Third Party Representatives, and other business partners.

## **Application:**

This SOP applies worldwide to Teva's employees supporting the following departments:

- Global Finance,
- Global HR,
- Global Legal and Patent,
- Global Compliance,
- CEO Office,
- Corporate Marketing Excellence & Communication,
- Global Internal Audit,
- Global Business Development & Strategy,
- Global IT,
- Corporate Security, and
- Global Real Estate & Facility Management (collectively, the "Support Function Employees")

Support Function Employees are committed to doing business the right way. Teva's Code of Conduct, Compliance Principles, and Global Policy on the Prevention of Corruption describe our vision for doing business in a legal and ethical manner. This SOP is a guide for helping Support Function Employees put our values into practice in a number of common activities where we interact with members of the Healthcare Community and Government Officials.

By following the Prevention of Corruption Policy and this SOP, you will help ensure that we:

- Adhere to the highest standards of professional integrity; and
- Follow all Applicable Laws and Codes.

Our commitment to compliance and to doing business legally and ethically will continue to inspire trust, respect, and confidence in our company, and distinguish Teva as a strong and reliable partner of choice.